

Marie L. Fiala (State Bar No. 79676)
Peter J. Benvenuti (State Bar No. 60566)
Russell P. Cohen (State Bar No. 213105)
HELLER EHRMAN LLP
333 Bush Street
San Francisco, CA 94104-2878
Telephone: (415) 772-6000
Facsimile: (415) 772-6268
Email: Marie.Fiala@hellerehrman.com

Gary M. Kaplan (State Bar No. 155530)
HOWARD RICE NEMEROVSKI CANADY FALK & RABKIN
A Professional Corporation
Three Embarcadero Center, Seventh Floor
San Francisco, CA 94111-4024
Telephone (415) 434-1600
Facsimile (415) 217-5910
Email: gmkaplan@howardrice.com

Attorneys for Defendant PACIFIC GAS AND ELECTRIC COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

PUBLIC UTILITY DISTRICT NO. 2 OF
GRANT COUNTY, WASHINGTON,

Plaintiff,

vs.

PACIFIC GAS AND ELECTRIC COMPANY,

Defendant.

Case No.: C 07-03243 JSW

Chapter 11 Case

Bankr. Case No. 01-30923 DM

**JOINT NOTICE OF SETTLEMENT
IN PRINCIPLE**

1 On June 7, 2007, Public Utility District No. 2 of Grant County ("Grant County") filed in this
2 Court a Motion for (I) Withdrawal of Reference of Proof of Claim and (II) Transfer of Venue
3 Thereof to the United States District Court for the Eastern District of Washington (Docket No. 1)
4 (the "Motion") against defendant Pacific Gas and Electric Company. The Court held oral argument
5 on the Motion on October 12, 2007 and took the Motion under submission at that time.
6

7 Also pending before this court is Grant's Motion to Strike Notice Of December 4 Order By
8 Judge Wendell Mortimer, Jr. Of The Los Angeles Superior Court (Docket No. 33) (the "Motion to
9 Strike"). Grant's reply in support of its Motion to Strike is due this Friday, January 25, 2008.

10 The parties hereby provide notice to this Court that they have agreed to a settlement in
11 principle and are in the process of entering into a written settlement agreement. In light of their
12 impending settlement, the parties respectfully request that this Court hold in abeyance a ruling on
13 the Motion and suspend the time for Grant to file any reply in support of its Motion to Strike. The
14 parties will promptly notify the Court once settlement is final or any other change in status.
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 Dated: January 24, 2008

2 Respectfully submitted,

3
4 HOWARD RICE NEMEROVSKI CANADY
5 FALK & RABKIN
6 A Professional Corporation

7 HELLER EHRMAN LLP

8 By _____/s/_____

9 Peter J. Benvenuti

10 Attorneys for Defendant
11 PACIFIC GAS AND ELECTRIC COMPANY

12
13 JONES DAY

14
15 By _____/s/_____

16 Peter G. McAllen

17 Attorneys for Plaintiff
18 PUBLIC UTILITY DISTRICT NO. 2 OF GRANT
19 COUNTY, WASHINGTON
20
21
22
23
24
25
26
27
28